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JONATHAN S. PASTERNAK, ESQ.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

503 WEST 150TH STREET APTS. INC.,

Chapter 11
Case No. 10 B

Debtor.

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**DECLARATION OF DAVID DIAMOND
PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

DAVID DIAMOND, being duly sworn, deposes and says:

1. I am the President of 503 West 150th Street Apts. Inc. (the “Debtor”). As such, I am familiar with the Debtor’s operations, businesses and financial affairs.

2. I submit this affidavit pursuant to Rule 1007(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”).

Local Rule 1007-2(a)(1)

3. The Debtor is a single asset real estate entity that owns and operates a residential building located at 503 West 150th Street, New York, New York 10031 (the “Property”). The building on the Property consists of 8 units consisting of (7) studio apartments and (1) one

bedroom apartments.

4. The Property has an approximate fair market value of \$900,000.00 and has a first priority secured mortgage in the approximate amount of \$1.6 million held by Bank of America, National Association, as successor by merger to Lasalle Bank, National Association, as trustee for Morgan Stanley Capital I Inc., commercial mortgage pass-through certificates, series 2007-TOP25 by: Centerline Servicing Inc. (f/k/a AR Cap Servicing Inc.), a Delaware Corporation, in its capacity as special servicer pursuant to that certain pooling and servicing agreement dated as of January 1, 2007 ("Bank of America"), is the assignee of two mortgages with Principal Commercial Funding II, LLC, a Delaware limited liability company. L.N.M., LLC, or its assignee, holds a second priority mortgage against the Property in the amount of \$250,000.00. BRT Realty Trust holds a third priority mortgage claim against the Property in the amount of \$580,000.00, as additional collateral for a non-debtor property.

5. Over the past three years, the Debtor encountered dramatic and unanticipated operating losses caused by the country's worsening economy, which had a two-fold effect on the Debtor. First, the Debtor experience unprecedented apartment vacancies, which caused the Debtor to lower its rental prices to entice new tenants and to try to avoid vacancies. This vacancy dilemma caused the Debtor to have cash flow shortages thereby rendering the Debtor unable to remain current and become in default on the monthly mortgage payments to Bank of America. Second, the value of the Property declined so much that the Property was "under water" and no longer worth what was owed to Bank of America, thereby making it impossible to proceed with a refinance to satisfy the debt. Bank of America heretofore commenced foreclosure proceeding in the Supreme Court of the State of New York, New York County, encaptioned *Bank of America, National Association, as vs. 503 West 150th Street Apts., Inc., et al*, Index No.

09/602330 (the “Foreclosure Action”).

6. By this Chapter 11 filing, the Debtor hopes to restructure its mortgage obligations with Bank of America, L.N.M., LLC and BRT Realty Trust either through a consensual or otherwise confirmed chapter 11 plan.

Local Rule 1007-2(a)(2)

7. This case was not originally commenced under Chapter 7 or 13 of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”).

Local Rule 1007-2(a)(3)

8. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

Local Rule 1007-2(a)(4)

9. A list of the names and addresses of the Debtor’s 20 largest unsecured claims, excluding "insiders" as that term is defined in § 101(31) of Bankruptcy Code is annexed hereto as **Schedule I**.

Local Rule 1007-2(a)(5)

10. A list of the names and addresses of the five largest secured creditors is annexed hereto as **Schedule II**.

Local Rule 1007-2(a)(6)

11. A summary of the Debtor’s assets and liabilities is annexed as **Schedule III**.

Local Rule 1007-2(a)(7)

12. There are no publicly held securities of the Debtor.

Local Rule 1007-2(a)(8)

13. None of the Debtor’s property is in the possession of any custodian, public

officer, mortgagee, pledge, assignee of rents, or secured creditor, or any agent for such entity.

Local Rule 1007-2(a)(9)

14. The Debtor operates from 503 West 150th Street, New York, New York 10031.

Local Rule 1007-2(a)(10)

15. The Debtor's substantial assets, books and records are located at 503 West 150th Street, New York, New York 10031.

Local Rule 1007-2(a)(11)

16. The following action is pending against the Debtor: *Bank of America, National Association, as vs. 503 West 150th Street Apts., Inc., et al*, Supreme Court of the State of New York, New York County, Index No. 09/602330 (Foreclosure proceeding).

Local Rule 1007-2(a)(12)

17. The Debtor's senior management consists of David Diamond, President, and Martin Weise, Managing Agent.

Local Rule 1007-2(b)(1)

18. The estimated payroll to employees (exclusive of officers and directors) for the thirty (30) day period following the filing of the chapter 11 petition is \$428.75.

Local Rule 1007-2(b)(2)

19. The estimated amount to be paid for services to its officers and directors for the thirty (30) day period following the filing of the Chapter 11 petition is \$0.00.

Local Rule 1007-2(b)(3)

20. The estimated schedule of cash receipts and disbursements for the thirty (30) day period following the filing of the Chapter 11 petition, net cash gain or loss, obligations and receivables expected to accrue but remaining unpaid, other than professional fees is annexed as

Schedule IV.

CONCLUSION

21. The Debtor believes it is in the best interests of all of its creditors that it be afforded an opportunity to refinance and reorganize its obligations in Chapter 11.

22. The needs and interests of the Debtor and its creditors will best be served by the Debtor's possession of its assets and management of its affairs as a Debtor-in-Possession under Chapter 11 until confirmation of a reorganization plan.

23. Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

Dated: Harrison, New York
February 3, 2010

/s/ David Diamond

David Diamond, President

Schedule I

List of Debtor's 20 Largest Unsecured Creditors

United States Bankruptcy Court
Southern District of New York

In re **503 West 150th Street Apts. Inc.**

Debtor(s)

Case No.

Chapter **11**

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Bank of America 1320 Willow Pass Road Ste 300 Concord, CA 94520	Bank of America 1320 Willow Pass Road Ste 300 Concord, CA 94520	503 West 150th Street New York, New York 10031 8 unit residential building		1,600,000.00 (900,000.00 secured)
BRT Realty Trust 60 Cutter Mill Road Suite 303 Great Neck, NY 11021	BRT Realty Trust 60 Cutter Mill Road Suite 303 Great Neck, NY 11021	503 West 150th Street New York, New York 10031 8 unit residential building		580,000.00 (900,000.00 secured) (1,600,000.00 senior lien)
Teaco General Contracting Corp 3309 9 Street Astoria, NY 11106	Teaco General Contracting Corp 3309 9 Street Astoria, NY 11106		Disputed	61,889.30
Moss & Kalish, PLLC 122 East 42nd Street Suite 2100 New York, NY 10168	Moss & Kalish, PLLC 122 East 42nd Street Suite 2100 New York, NY 10168			10,505.00
Hoffinger Stern & Ross 150 East 58th Street New York, NY 10155	Hoffinger Stern & Ross 150 East 58th Street New York, NY 10155			7,141.80
ADT Security Services, Inc. P.O. Box 5035 Boca Raton, FL 33431-5035	ADT Security Services, Inc. P.O. Box 5035 Boca Raton, FL 33431-5035			3,250.00

In re **503 West 150th Street Apts. Inc.**

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

(Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date **February 3, 2010**

Signature _____

David Diamond
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

Schedule II

List of Debtor's 5 Largest Secured Creditors

Bank of America, National Association 1320 Willow Pass Road Ste 300 Concord, CA 94520	\$1,600,000
L.N.M., LLC	\$250,000
BRT Realty Trust 60 Cutter Mill Road Suite 303 Great Neck, NY 11021	\$580,000

Schedule III

Debtor's Balance Sheet as of January 2010

Schedule IV

30 Day Budget

503 West 150th Street
Operating Statement
2010

Income	Actuals Jan-09	Projected Feb-10	Projected Mar-10	Projected Apr-10	Projected May-10	Projected Jun-10	Projected Jul-10	Projected Aug-10	Projected Sep-10	Projected Oct-10	Projected Nov-10	Projected Dec-10	2010 Totals
Gross Potential Rent	10,875.00	10,875.00	10,875.00	10,875.00	10,875.00	10,875.00	10,750.00	10,750.00	10,650.00	10,650.00	10,650.00	10,650.00	129,350.00
Less: Vacancy Totals	(2,300.00)	(2,300.00)	(2,300.00)	(2,300.00)	(2,300.00)	(2,300.00)	(3,450.00)	(3,450.00)	(4,600.00)	(4,600.00)	(4,600.00)	(4,600.00)	(39,100.00)
Net Rental Revenue	8,575.00	8,575.00	8,575.00	8,575.00	8,575.00	8,575.00	7,300.00	7,300.00	6,050.00	6,050.00	6,050.00	6,050.00	90,250.00
Operating Expenses													
Real Estate Taxes	1,205.44	1,205.44	1,205.44	1,205.44	1,205.44	1,205.44	1,253.50	1,253.50	1,253.50	1,253.50	1,253.50	1,253.50	14,753.64
Water & Sewer	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	259.00	3,108.00
Property Insurance	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	479.17	5,750.00
Utilities (incl Heat & Electric)	1,932.89	1,935.66	1,855.37	1,160.59	870.00	715.00	515.00	450.00	450.00	750.00	1,000.00	1,500.00	13,134.51
Repairs	56.96	111.87	69.52	570.21	161.00	245.00	175.00	175.00	175.00	175.00	175.00	175.00	2,264.56
Maintenance	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	108.33	1,299.96
Labor	500.00	400.00	500.00	400.00	500.00	400.00	500.00	500.00	400.00	500.00	400.00	500.00	8,300.00
Management Fee @ 5.00%	428.75	428.75	428.75	428.75	428.75	428.75	365.00	365.00	302.50	302.50	302.50	302.50	4,512.50
Total Operating Expenses	4,970.54	4,928.22	4,905.58	4,611.49	4,011.69	3,840.69	3,655.00	3,590.00	3,427.50	3,827.50	3,977.50	4,577.50	53,123.17
Net Cash Flow Before Debt Service	3,604.46	3,646.78	3,669.42	3,963.51	4,563.31	4,734.31	3,645.00	3,710.00	2,622.50	2,222.50	2,072.50	1,472.50	37,126.83